

VZCZCXRO6091
OO RUEHBI RUEHCI RUEHLH RUEHPW
DE RUEHNE #0322/01 0311218
ZNY CCCCC ZZH
O 311218Z JAN 08
FM AMEMBASSY NEW DELHI
TO RUEHC/SECSTATE WASHDC IMMEDIATE 0242
INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE
RUCNNSG/NUCLEAR SUPPLIERS GROUP COLLECTIVE
RUEAIIA/CIA WASHDC
RHEBAAA/DEPT OF ENERGY WASHINGTON DC
RUEKJCS/JOINT STAFF WASHDC
RHEHNSC/NSC WASHDC
RUEKJCS/SECDEF WASHDC
RUEHUNV/USMISSION UNVIE VIENNA 1384
RUCNDT/USMISSION USUN NEW YORK 5963

C O N F I D E N T I A L SECTION 01 OF 02 NEW DELHI 000322

SIPDIS

SIPDIS

E.O. 12958: DECL: 01/31/2018
TAGS: [PREL](#) [PARM](#) [TSPL](#) [KNNP](#) [ETTC](#) [ENRG](#) [TRGY](#) [IN](#)
SUBJECT: AUSTRALIAN HIGH COMMISSIONER URGES U.S. TO KEEP UP
PRESSURE ON NUCLEAR ISSUE

Classified By: Ambassador David Mulford for Reasons 1.4 (B and D)

11. (C) Summary: Australian High Commissioner John McCarthy urged Ambassador David Mulford January 30 to ensure that the U.S. continue pressuring the new Australian leadership to support an Indian exception in the Nuclear Suppliers Group (NSG). "It is important to continue to have the nuclear issue number two or three in your talking points, not number seven or eight," he exhorted. McCarthy said that the new government faced complicated Labor Party politics, but sought to maintain strong relations with both the U.S. and India. He expected that his government would wait until after the safeguards agreement to canvass an NSG decision in the Cabinet, but would likely allow the exception to take place and refrain from "playing footsy" with skeptical countries such as Ireland and New Zealand. End Summary.

Ambassador Provides Update

--

12. (C) In a January 30 meeting with Ambassador David Mulford, Australian High Commissioner John McCarthy asked about the status of the nuclear initiative, and commented that the IAEA talks have taken longer than expected, "although the Indians had been warned." The Ambassador agreed that the Indian government did not appreciate the complexity of the IAEA agreement, but noted that only the issues of safeguards in perpetuity and fuel supply assurance seemed to be outstanding. The High Commissioner asked about rumors that the Indians intended to approach the Nuclear Suppliers Group before submitting the safeguards agreement to the Board. The Ambassador acknowledged that the Indian government had proposed that the NSG could consider an IAEA text initialed by the Director General and the Indians, but the U.S. conveyed to the Indians that such a scenario risks failure by alienating the NSG. McCarthy recounted that External Affairs Minister Pranab Mukherjee has discussed publicly the unwillingness of the government to complete the initiative as a minority or interim government. The Ambassador expressed frustration with the Indian government's refusal to jettison the Left, particularly since the U.S. has assured the Prime Minister and Mukherjee that it would work with the UPA government to complete the nuclear initiative regardless of its status.

Saran Trip Focused on NSG, Smith Focused on Uranium

--

13. (C) McCarthy said that Special Envoy Shyam Saran had traveled to Perth recently to engage the new Australian

leadership on the nuclear issue. However, McCarthy continued, while Saran's discussion with Foreign Minister Stephen Smith had focused "purely" on the NSG decision, Smith opened the press conference by talking about the government's policy of not selling uranium to non-signatories of the Nuclear Nonproliferation Treaty (NPT). Smith's emphasis on the uranium issue irritated the Indians, who then released their own "more accurate" rendering of the conversation. McCarthy said that he and Smith have since attempted to clarify to the Indian media that while the uranium sales ban exists now, the Australian government may consider sales in the future. "Smith didn't say never," McCarthy underlined. The Australians have since put forward a position stating that Australia will decide based on its dealings with the U.S. and India on the nuclear issue, as well as its own nonproliferation objectives. However, McCarthy pointed out, "Smith did not say that the nuclear initiative is contrary to our nonproliferation objectives."

¶4. (C) Trade Minister Simon Crean reinforced the Australian message during his January 17 visit to Delhi, McCarthy described. After briefing Crean extensively on the issue to avoid the pitfalls that Smith encountered, McCarthy believed that Crean successfully conveyed that "uranium sales are possible over a period if the nuclear deal goes through."

McCarthy Urges U.S. To Bring Up Nuclear Issue With Australian Government

- - -

¶5. (C) Once India completes the safeguards agreement and the NSG begins to consider the exception, McCarthy expected that the government would take the decision to the Cabinet and

NEW DELHI 00000322 002 OF 002

"canvass it with Left leaders." Because Prime Minister Kevin Rudd, and certainly Crean, are pragmatic, McCarthy speculated that the Cabinet would consider the NSG decision positively. He dismissed the possibility of Australia joining the group of skeptical NSG countries. "I do not see them going off and playing footsy with New Zealand and Ireland," he said. Instead, he surmised, the Australians would "make a few positive comments and then let it happen."

¶6. (C) In order to push the Australian government in the right direction, McCarthy urged the Ambassador to ensure that the U.S. persisted in conveying strong nuclear initiative points to the Australia government. "It is important for India and Washington to keep making their views known at the high level," he pressed. McCarthy advised that the civil nuclear initiative should appear as "talking points number two or three, not seven or eight" when talking to the Australian government. McCarthy hoped that Rudd would travel to India in June.

Comment: Delhi Chiefs of Mission Know the Stakes

- - -

¶7. (C) McCarthy's aggressive message to the U.S. regarding the civil nuclear initiative despite his government's reticence on its position reflects the fact that most NSG member country chiefs of mission -- and even several non-NSG countries -- have zeroed in on the imminent NSG decision as a moment that could define their country's relationship with India in the 21st century. McCarthy is not the only ambassador who sees the wider picture in supporting an exception for India in the NSG. The Canadian High Commissioner has gone out of his way in engaging Left leaders on the issue, while the Irish Ambassador has engaged in intense nuclear advocacy in Dublin. After several years of exposure to front-page stories about the issue, as well as high-level dialogue from the MEA, these chiefs of mission have sought to influence their governments in a positive, pro-India direction. We should continue making sure that the Delhi missions remain well-informed and supportive, since they will act as the primary champions of a clean NSG

exception in their respective capitals.
MULFORD